

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 24TH SEPT 2015

GRANT THORNTON AUDIT FINDINGS REPORT 2014/15

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Grant Thornton Audit Findings Report in relation to the final accounts 2014/15.

2. RECOMMENDATIONS

- 2.1 That Committee considers and notes the Audit Findings Report 2014/15 as attached at Appendix 1.
- 2.2 That Committee approve the draft letter of representation as included at Appendix 2.

3. KEY ISSUES

Financial Implications

- 3.1 Any additional costs in relation to the work undertaken by Grant Thornton whilst undertaking the Audit for 2014/15 will be met from current savings within the accountancy budget.

Legal Implications

- 3.2 The Council has a statutory responsibility to comply with financial regulations. Included within the report is a recommendation to the Council under section 11(3) of the Audit Commission Act 1998 which requires the Council to respond formally to the recommendations included within the report. The summary of the recommendations has to be published in a local newspaper, subject to the exceptions in relation to confidential issues contained in section 12(3) of the Act.

Service / Operational Implications

- 3.3 The report attached at Appendix 1 presents the Audit Findings Report in relation to the audit of the 2014/15 Statement of Accounts. As explained in the report the audit is ongoing. Members are aware that the Statement of Accounts were submitted late to the External Auditors and as can be seen in the detail of the report there have been issues in carrying out the Audit following the receipt of the accounts. It is worth reminding Members as to the

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circumstances that have been agreed by the Auditors as leading to the issues surrounding the Accounts. These included:

- Implementation of a new financial ledger
- Restructure of the finance team, turnover of staff and difficulties in recruiting to vacant senior posts
- Introduction of a new chart of accounts and changes in coding issues

3.4 The accounts were submitted on Monday 13th July with the deadline of Wednesday 30th June. Officers have supported the Audit however there are a number of queries outstanding following the Audit that require resolving prior to an opinion on the accounts being presented to this meeting. It is hoped that with the support from all officers this deadline will be achieved. In addition the Auditors current position is that the opinion on the accounts will be unqualified.

3.5 The report contains a number of detailed recommendations which will form part of a wider action plan in relation to addressing the issues identified and preparing a plan for the 2015/16 accounts. The specific formal recommendations include:

- Development of a comprehensive project plan for the preparation of 2015/16 Accounts .
- Production of the 2015/16 Accounts to meet the statutory deadlines
- Robust budget preparation and monitoring processes to be put in place

Officers are currently working on developing a plan to meet the above recommendations

3.6 The detailed action plan will be reported to the Audit, Standards and Governance Members on a monthly basis.

Customer / Equalities and Diversity Implications

3.7 There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 There are a significant number of issues that require addressing and a formal risk plan will be developed alongside the action plan..

5. APPENDICES

Appendix 1 – Grant Thornton Audit Findings Letter 2014/15

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